

Message Text

PAGE 01 STATE 101993

22

ORIGIN EB-07

INFO OCT-01 EUR-12 ISO-00 OES-06 SP-02 FEA-01 ERDA-05

AID-05 CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00 FPC-01

H-02 INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04

USIA-06 SAM-01 SS-15 STR-04 TRSE-00 IO-13 /108 R

DRAFTED BY EB/ORF/FSE:LRRRAICHT:LS

APPROVED BY EB/ORF/FSE - LAWRENCE R. RAICHT

OES/SCI/AE - MPROCHNIK

S/P - JKAHAN

----- 027312

P 272310Z APR 76

FM SECSTATE WASHDC

TO USMISSION OECD PARIS PRIORITY

LIMITED OFFICIAL USE STATE 101993

E.O. 11652: N/A

TAGS: ENRG, IEA

SUBJECT: INTERNATIONAL ENERGY INSTITUTE

1. WITH BOSWORTH'S APPROVAL, MISSION IS REQUESTED TO PASS FOLLOWING SLT CHAIRMAN'S NOTE ON IEI PROPOSAL TO BURROWS (UK) FOR USE IN IEA AD HOC DIALOGUE GROUP DISCUSSION OF IEI PROPOSAL OF APRIL 29 AND TO SECRETARIAT FOR DISTRIBUTION TO SLT DELEGATIONS.

2. QUOTE: NOTE BY THE CHAIRMAN OF THE SLT ON THE US PROPOSAL FOR ESTABLISHING AN INTERNATIONAL ENERGY INSTITUTE. AS REQUESTED BY THE GOVERNING BOARD AT ITS MARCH MEETING, THE SLT DISCUSSED TECHNICAL ASPECTS OF THE US PROPOSAL ON THE BASIS OF A REVISED US PAPER DESCRIBING THE FRAMEWORK FOR AN INTERNATIONAL ENERGY INSTITUTE ON MARCH 17-18 AND LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 02 STATE 101993

APRIL 13-14. THE REVISED US PAPER WAS CIRCULATED AS IEA/GB(76) 1ST REV.

THERE WAS GENERAL SUPPORT WITHIN THE SLT FOR THE CONCEPT OF

AN INTERNATIONAL ENERGY INSTITUTE WHICH WOULD FOCUS ON COORDINATING EXISTING AND FUTURE ASSISTANCE IN THE ENERGY AREA FOR DEVELOPING COUNTRIES. MOST DELEGATIONS SUPPORTED THE PROPOSAL AS A CONSTRUCTIVE APPROACH TO THE PROBLEM OF IDENTIFYING AREAS OF COOPERATION BETWEEN INDUSTRIALIZED

AND DEVELOPING COUNTRIES. IN THIS CONTEXT, SEVERAL DELEGATIONS COMMENTED ON THE IMPORTANCE OF ENSURING THAT AN ENERGY INSTITUTE WOULD MEET LDC NEEDS. THESE DELEGATIONS BELIEVED THAT CONSULTATIONS WITH OPEC AND NON-OIL LDCS IN THE CIEC ENERGY COMMISSION WOULD HELP DEFINE THE NEEDS OF DEVELOPING COUNTRIES FOR ENERGY RELATED ASSISTANCE AND PROVIDE A FRAMEWORK FOR DETERMINING THE MOST APPROPRIATE SCOPE AND FUNCTIONS FOR THE IEL. MANY DELEGATIONS EXPRESSED CONCERN ABOUT THE POSSIBILITY THAT SUCH AN INSTITUTE MIGHT DUPLICATE ASSISTANCE EFFORTS NOW BEING UNDERTAKEN BY OTHER ORGANIZATIONS, BOTH WITHIN THE UN FAMILY AND ELSEWHERE. FOR THIS REASON, THEY ARGUE THAT A MORE COMPLETE DESCRIPTION OF ACTIVITIES OF EXISTING ORGANIZATIONS WOULD BE HELPFUL. TO RESPOND TO THIS NEED, AND TO ASSIST THE GOVERNING BOARD IN CONSIDERING THIS PROPOSAL, THE SECRETARIAT WAS INSTRUCTED TO PREPARE A COLLATION OF EXISTING MULTILATERAL AND BILATERAL ACTIVITIES IN THE ENERGY AREA.

THE US PAPER NOTES THE WIDE VARIETY OF PROGRAMS ADMINISTERED BY A LARGE NUMBER OF INTERNATIONAL ORGANIZATIONS WHICH ADDRESS ASPECTS OF LDC ENERGY PROBLEMS. RECOGNIZING THAT THESE PROGRAMS LACK A CONSISTENT FOCUS, THE ENERGY INSTITUTE WOULD PROVIDE A CENTRAL POINT FOR COORDINATION, THUS ENSURING THAT ENERGY RELATED ASSISTANCE TO DEVELOPING COUNTRIES IS FULLY EFFECTIVE. SOME DELEGATIONS ARGUED THAT COORDINATION WITH OTHER AGENCIES IMPLEMENTING PROGRAMS IN THE ENERGY FIELD WOULD BE NECESSARY TO ENSURE THE EFFECTIVENESS OF THE ENERGY INSTITUTE. OTHER DELEGATIONS QUESTIONED WHETHER IT WOULD BE POLITICALLY FEASIBLE FOR THE ENERGY INSTITUTE TO EXERCISE A COORDINATING LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 03 STATE 101993

ROLE

IT WAS GENERALLY AGREED THAT THE FINANCING POSSIBILITIES DESCRIBED IN THE US PAPER WERE NOT EXHAUSTIVE AND THAT FUNDING FOR THE INSTITUTE WOULD DEPEND IN LARGE MEASURE ON ITS FINAL SHAPE AS IT EMERGED FROM DISCUSSIONS WITH DEVELOPING COUNTRIES IN THE ENERGY COMMISSION. SOME DELEGATIONS WERE CONCERNED THAT INDUSTRIALIZED COUNTRIES WOULD NOT BE ABLE TO PREVENT, IN THE FACE OF LDC DEMANDS, THE IEL FROM BECOMING A MAJOR NEW MECHANISM FOR FINANCIAL ASSISTANCE IN THE ENERGY AREA WITH UNCERTAIN FINANCIAL CONSEQUENCES. CERTAIN DELEGATIONS QUESTIONED WHETHER IT

WOULD BE POSSIBLE TO ADEQUATELY COVER THE FUNCTIONS DESCRIBED FOR THE INSTITUTE IN THE US PAPER ON THE BASIS OF THE STAFF ENVISAGED. OTHERS EXPRESSED CONCERN OVER THE POTENTIAL LONG TERM FINANCIAL CONSEQUENCES FOR INDUSTRIALIZED COUNTRIES IN THE EVENT THE INSTITUTION'S SCOPE OF ACTIVITIES WERE SUBSTANTIALLY EXPANDED AS ITS OPERATIONS DEVELOPED.

RATIONALE -- THERE WAS GENERAL AGREEMENT IN THE SLT WITH THE DESCRIPTION OF THE EXISTING SITUATION REGARDING ENERGY COOPERATION FOR DEVELOPING COUNTRIES AND THE NEED FOR DEMONSTRATING POLITICALLY THE DETERMINATION OF INDUSTRIALIZED COUNTRIES TO ASSIST IN THIS AREA. SEVERAL DELEGATIONS PROPOSED A TWO-STEP APPROACH, WITH THE FIRST STEP BEING DEVOTED TO AN EXPLORATION WITH DEVELOPING COUNTRIES OF THE EXTENT TO WHICH EXISTING PROGRAMS MEET THEIR NEED FOR ASSISTANCE IN THE ENERGY AREA. SEVERAL DELEGATIONS EXPRESSED A VIEW THAT THE MOST APPROPRIATE WAY TO OBTAIN THIS INFORMATION WOULD BE THROUGH A JOINT INVENTORY BY DEVELOPED AND DEVELOPING COUNTRIES OF EXISTING ACTIVITIES BY INTERNATIONAL ORGANIZATIONS. HOWEVER, IT WAS RECOGNIZED THAT IT WOULD NOT BE POSSIBLE POLITICALLY TO DELAY PROPOSING ASSISTANCE IN THIS AREA UNTIL THIS INVENTORY WAS COMPLETED. IN THIS REGARD IT WAS NOTED THAT THE FEASIBILITY STUDY BEING UNDERTAKEN BY THE UN SECRETARIAT WOULD PROVIDE FURTHER INFORMATION ON THE EXTENT OF ACTIVITIES IN THE ENERGY AREA BEING CONDUCTED BY UN BODIES. SEVERAL DELEGATIONS EXPRESSED THE VIEW THAT ANY ENERGY INSTITUTE SHOULD BE CREATED WITHIN THE UN LIMITED OFFICIAL USE LIMITED OFFICIAL USE

PAGE 04 STATE 101993

FRAMEWORK TO ENSURE COORDINATION BETWEEN THE INSTITUTE AND EXISTING ORGANIZATIONS. OTHER DELEGATIONS NOTED THAT THE INSTITUTE SHOULD COORDINATE ITS ACTIVITIES CLOSELY WITH THE IBRD AND UNDP BECAUSE OF THE LATTER ORGANIZATION ACCESS TO SUBSTANTIAL FUNDS FOR ENERGY DEVELOPMENT. MOST DELEGATIONS EXPRESSED THE VIEW THAT SUCH AN INSTITUTE SHOULD EMERGE FROM CIEC AS A JOINT INDUSTRIALIZED COUNTRY/ DEVELOPING COUNTRY INITIATIVE,

SCOPE AND FUNCTIONS -- MOST DELEGATIONS AGREED WITH THE PROPOSED DESCRIPTION OF THE AREAS OF ACTIVITY FOR THE INSTITUTE OUTLINED IN THE US PAPER. SEVERAL DELEGATIONS REITERATED THEIR VIEW THAT A FINAL DECISION ON THE FUNCTIONS OF THE IEI SHOULD BE DELAYED UNTIL DEVELOPING COUNTRIES HAD HAD AN OPPORTUNITY TO DESCRIBE THEIR NEEDS MORE FULLY. THERE WAS GENERAL AGREEMENT THAT THE INSTITUTE SHOULD NOT UNDERTAKE MAJOR PROGRAMS IN ANY OF THE FOUR AREAS DESCRIBED IN THE US PAPER; RATHER, IT SHOULD PLAY A COORDINATIVE AND FACILITATIVE ROLE. IN THIS REGARD, SEVERAL DELEGATIONS COMMENTED THAT CLOSE COORDI-

NATION AND CONSULTATION WITH THE IBRD, UNDP AND OTHER INTERNATIONAL INSTITUTIONS WOULD BE HELPFUL. SEVERAL DELEGATIONS COMMENTED THAT THE TRAINING ACTIVITY ENVISAGED FOR THE INSTITUTE WOULD BE SEEN BY DEVELOPING COUNTRIES AS VERY IMPORTANT. THEY COMMENTED THAT THIS WOULD REQUIRE THAT THE INSTITUTE BE SEEN AS NEUTRAL. SOME DELEGATIONS QUESTIONED HOW DEEPLY THE IEI COULD BECOME INVOLVED, GIVEN THE LIMITED FUNDING PROPOSED FOR IT

IN FACILITATING THE DEVELOPMENT OF ENERGY RESOURCES IN DEVELOPING COUNTRIES. MANY DELEGATIONS NOTED THAT THE TECHNOLOGY TRANSFER ASPECTS OF THE INSTITUTE'S ACTIVITIES WOULD BE SEEN BY DEVELOPING COUNTRIES AS MOST IMPORTANT. THERE WAS GENERAL AGREEMENT THAT THE INSTITUTE COULD PLAY A VERY USEFUL ROLE IN ASSESSING LDC ENERGY SITUATIONS AND STRATEGIES. THERE WAS GENERAL SUPPORT FOR LIMITING THE ACTIVITIES OF THE INSTITUTE IN ITS INITIAL PHASE TO ENERGY EVALUATIONS AND FACILITATION OF TRAINING.

FINANCING -- MANY DELEGATIONS FELT IT WAS IMPORTANT TO ENSURE THAT FUNDING LEVELS FOR THE INSTITUTE DID NOT LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 05 STATE 101993

BECOME A MAJOR DRAIN ON INDUSTRIALIZED COUNTRY RESOURCES. SEVERAL DELEGATIONS COMMENTED THAT PROGRAM FINANCING IN THE ENERGY AREA SHOULD CONTINUE THROUGH EXISTING INTERNATIONAL ORGANIZATIONS AND THAT THE IEI SHOULD NOT BECOME ANOTHER COMPETITOR FOR THE LIMITED FUNDS AVAILABLE FOR THIS PURPOSE. MOST DELEGATIONS SUPPORTED THE CONCEPT OF INDEPENDENT FUNDING FOR THE IEI. SEVERAL DELEGATIONS QUESTIONED WHETHER A THREE-YEAR FUNDING CYCLE, AS PROPOSED IN THE US PAPER WOULD BE ADEQUATE, BOTH AS A DEMONSTRATION OF INDUSTRIALIZED COUNTRY DETERMINATION TO ASSIST LDCS AND IN VIEW OF THE NORMAL LAG TIME BEFORE A NEW INSTITUTE COULD OPERATE EFFECTIVELY. SEVERAL DELEGATIONS QUESTIONED WHETHER THE LIMITED STAFF AND FUNDING SET FORTH IN THE US PAPER WERE FEASIBLE. THESE DELEGATIONS NOTED THAT IT WOULD BE DIFFICULT TO LIMIT THE STAFF TO ONLY FIFTEEN PROFESSIONALS, AND QUESTIONED THE ABILITY OF THE INSTITUTE TO CARRY OUT THE FUNCTIONS DESCRIBED WITH THE LIMITED FINANCING PROPOSED. SEVERAL DELEGATIONS EXPRESSED CONCERN AT THE OPEN-ENDED ASPECT OF THE INSTITUTE AND THE RESULTANT FINANCIAL CONSEQUENCES FOR INDUSTRIALIZED COUNTRIES. THEY RECOGNIZED THAT THE FINAL SHAPE AND SIZE OF THE INSTITUTE COULD ONLY BE DETERMINED ON THE BASIS OF DISCUSSIONS IN THE CIEC ENERGY COMMISSION WITH DEVELOPING COUNTRIES. HOWEVER, THEY EXPRESSED CONCERN ABOUT THE POTENTIAL FOR EXPANSION OF THE INSTITUTE BEYOND THE SCOPE ENVISAGED IN THE US PAPER AND NOTED THAT THE INSTITUTE SHOULD NOT BECOME A VEHICLE FOR LARGE FINANCIAL TRANSFERS TO THE LDCS TO THE DETRIMENT OF EXISTING ORGANI-

ZATIONS OR THE OVERALL LEVEL OF INDUSTRIALIZED COUNTRY ASSISTANCE TO LDCS. SEVERAL COUNTRIES QUESTIONED THE MAJOR ROLE OF THE INDUSTRIAL SECTOR AND EXPRESSED THE VIEW THAT THE PROPOSAL SHOULD NOT HIGHLIGHT THE ROLE OF PRIVATE ENTERPRISES AS MUCH AS IT PRESENTLY DOES. SOME DELEGATIONS EXPRESSED THE VIEW THAT THE INSTITUTE WOULD ONLY BE OF INTEREST TO LDCS TO THE EXTENT IT ACTED AS A VEHICLE FOR TECHNOLOGY TRANSFER. THERE WAS GENERAL AGREEMENT, HOWEVER, THAT IT WOULD NOT BE POSSIBLE TO DISCUSS

FINANCING IN DETAIL UNTIL AFTER DISCUSSION IN THE CIEC ENERGY COMMISSION OF THE SCOPE AND FUNCTIONS OF THE INSTITUTE PROVIDED BETTER DEFINITION OF ITS SIZE AND LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 06 STATE 101993

AREA OF ACTIVITY.

QUESTIONS DEFERRED TO BURROWS GROUP -- THE FOLLOWING ISSUES WERE RAISED BY ONE OR MORE DELEGATIONS WITH THE EXPECTATION THAT THERE WOULD BE AN OPPORTUNITY TO EXPLORE THEM IN MORE DETAIL DURING THE FORTHCOMING MEETING OF THE BURROWS AD HOC GROUP ON THE DIALOGUE:

(1) WHETHER AND WHEN TO CONSULT WITH DEVELOPING COUNTRIES ON THE IEI PROPOSAL. (SEVERAL DELEGATIONS QUESTIONED WHETHER THE US HAD RECEIVED ANY INDICATION OF THE RECEPTIVITY OF KEY LDC COUNTRIES TO ITS PROPOSAL. THE US DELEGATION NOTED THAT THE PROPOSAL FOR THE IEI HAD BEEN PREPARED ON THE BASIS OF EXTENSIVE EXAMINATION OF DISCUSSIONS IN OTHER FORA OF LDC ENERGY NEEDS AND DESIRES. ALTHOUGH THE US HAD INDICATED IN THE FEBRUARY ENERGY COMMISSION SESSION THAT IT INTENDED TO PUT FORWARD A PROPOSAL ON THE INTERNATIONAL ENERGY INSTITUTE UNDER THE RUBRIC OF COOPERATION, THERE HAD BEEN NO FURTHER DIRECT CONTACTS BETWEEN THE US AND LDCS. THE US DELEGATION REPORTED THAT IT HAD NOT RECEIVED ANY NEGATIVE COMMENT FROM OPEC/LDCS AND INDICATED ITS EXPECTATION THAT THE DISCUSSION IN THE ENERGY COMMISSION WOULD PROVIDE A FULL OPPORTUNITY TO GAGE THE REACTION OF DEVELOPING COUNTRIES TO THE PROPOSAL.)

(2) RELATIONSHIP OF THE IEI TO OTHER ORGANIZATIONS, PARTICULARLY THE UN, AND THE FAMILY OF UN INSTITUTIONS, AND THE IBRD.

(3) MEMBERSHIP IN THE IEI, BOTH OF INDUSTRIALIZED COUNTRIES AND DEVELOPING COUNTRIES INCLUDING THE QUESTION OF WHETHER CERTAIN INDUSTRIALIZED COUNTRIES COULD BENEFIT FROM ACTIVITIES OF THE ENERGY INSTITUTE.

(4) TIMING OF THE PROPOSAL IN THE ENERGY COMMISSION.

(5) CONTROL OF THE IEI IN TERMS OF VOTING RIGHTS, POLICY,
MANAGEMENT, ETC.

(6) FINANCING. (SEVERAL DELEGATIONS NOTED THAT IT WOULD
NOT BE POSSIBLE TO MAKE A DECISION ON FINANCING UNTIL THE
LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 07 STATE 101993

POLITICAL ASPECTS OF THE INSTITUTE'S PROPOSAL HAD BEEN
FULLY CONSIDERED IN THE BURROWS GROUP. THEY THEREFORE
RESERVED THEIR POSITION ON THIS ISSUE. IT WAS AGREED THAT
THE GOVERNING BOARD WOULD CONSIDER THE US PROPOSAL ON THE
BASIS OF THE REVISED US PAPER DESCRIBING THE INSTITUTE;

THE SECRETARIAT PAPER DESCRIBING THE ACTIVITIES OF OTHER
INTERNATIONAL ORGANIZATIONS IN THE ENERGY FIELD,AND THE
REPORTS OF THE SLT AND THE BURROWS GROUP. IT WAS ALSO
GENERALLY AGREED THAT THE US PAPER WOULD NOT GO FORWARD
TO THE ENERGY COMMISSION. RATHER, THAT THE CONCEPT WOULD
BE PROPOSED IN GENERAL TERMS WHEN THE SUBJECT OF COOPER-
ATION WAS REACHED ON THE ENERGY COMMISSION AGENDA. SISCO

LIMITED OFFICIAL USE

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 15 SEP 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, ENERGY, ESTABLISHMENT OF OFFICES, INTERNATIONAL ORGANIZATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 27 APR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: saccheem
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE101993
Document Source: ADS
Document Unique ID: 00
Drafter: EB/ORF/FSE:LRRAICHT:LS
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Film Number: D760168-0084
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t197604115/baaaeosh.tel
Line Count: 296
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Office: ORIGIN EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: saccheem
Review Comment: n/a
Review Content Flags:
Review Date: 22 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <22 APR 2004 by BoyleJA>; APPROVED <10 AUG 2004 by saccheem>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: INTERNATIONAL ENERGY INSTITUTE
TAGS: ENRG, PFOR, US, IEA, IEI, SLT
To: OECD PARIS
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006